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Annual report of the Executive Director

Summary

I am proud to present the first UNOPS annual report aligned to the Global Reporting Initiative – the sustainability reporting organization developed in collaboration with the United Nations Environment Programme and the United Nations Global Compact. This step highlights our willingness to adopt leading standards in the way we report on our work in over 80 countries around the world.

In 2016, UNOPS supported the United Nations in addressing peacebuilding, humanitarian and development priorities in places such as Haiti, Myanmar, South Sudan, Somalia, Syria and Yemen. We increased the support we offer directly to governments, and, with close to 11,000 people on UNOPS contracts, lent our technical expertise and efficiency to both United Nations partners and the wider global development system.

UNOPS-supported projects created more than 3 million days of paid work for local people. We worked on more than 3,000 kilometres of roads, 50 schools, 74 hospitals and 278 health centres. More than 47 million medical supplies were handled, including the distribution of over 30 million mosquito nets. Over 100 million doses of medicine were procured or distributed.

UNOPS delivery in 2016 reflects a consistent and stable demand for UNOPS services from its diverse range of partners. The organization continued to improve the way it operates, remains financially solid, and aims to increase its work in support of Agenda 2030.

Elements of a decision

The Executive Board may wish to: (a) recognize UNOPS contributions to the operational results of governments, the United Nations and other partners in 2016, through efficient management support services and effective specialized technical expertise, expanding the implementation capacity for sustainable development; (b) take note of the progress made in advancing the potential for facilitating partnerships for social impact investments in the areas of the UNOPS mandate; (c) acknowledge efforts made to enhance reporting on UNOPS contributions to partners' sustainable results, including the pursuit of best practices and recognized standards; and (d) welcome the progress made in implementing the UNOPS strategic plan, 2014-2017, as calibrated through the midterm review, which reconfirms the viability of its unique demand-driven business model and establishes strong foundations for UNOPS to support Member States' achievement of the 2030 Agenda. The Board may also wish to welcome the UNOPS annual report on the recommendations of the Joint Inspection Unit and the considerable progress made in implementing recommendations of relevance to UNOPS.

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Annexes (available on the Executive Board web page)

This report is based on data that is fully compliant with the Global Reporting Initiative ('GRI'), detailed in annex I

I. Introduction

1. The Executive Director is pleased to inform the Executive Board of progress made during 2016 in implementing the UNOPS strategic plan, 2014-2017. In doing so UNOPS has helped people build better lives and countries achieve sustainable development.

II. Results framework

2. The UNOPS mandate was established by the General Assembly in resolution 65/176. The Executive Board approved the UNOPS strategic plan, 2014-2017, in its decision 2013/23. The Board welcomed the enhanced focus of UNOPS services to partners, and the emphasis on sustainability, national ownership and capacity development.

3. In 2016, a midterm review of the UNOPS strategic plan was conducted to position the organization for the development of its strategic plan, 2018-2021, and to establish priorities for the conclusion of the strategic plan, 2014-2017.

4. In response to the midterm review, UNOPS is organizing its work around its mandated 'core-competencies', or focus areas: effective, specialized technical expertise in infrastructure; procurement and project management; and efficient management support services.

5. In addition to the focus areas, as requested by the Board, UNOPS has been establishing the groundwork to explore a third area: expanding the pool of resources for Agenda 2030, including from the private sector.

6. In 2016, over 900 projects were assessed using the focus areas, of which 578 reported contributions to sustainability across a range of economic, environmental and social aspects. Percentages reflecting sustainability results throughout this report are weighted by delivery. Details of the results framework and reporting methodology are outlined in annex II.

7. Information in this report is aligned to Global Reporting Initiative sustainability standards. Further details of UNOPS results with associated Global Reporting Initiative indicators are available in annex I.

III. Highlights of results

8. During the course of project implementation, more than 3 million days of paid work for local people were created in 2016, the majority generated as part of infrastructure projects. In 2015, 2.2 million days of paid work were created.

9. UNOPS is committed to climate neutrality. In 2016, UNOPS operations emitted 14,892 tonnes of carbon dioxide equivalent, the common unit for describing greenhouse gas emissions. In comparison, 16,753 tonnes were reported the previous year. All UNOPS emissions are offset using certified emission reductions, with gold standard certification developed under the United Nations Clean Development Mechanism.

10. UNOPS provided over 50,000 days of technical assistance to its partners, up from 44,000 in 2015. In addition, UNOPS helped develop local capacity by supporting more than 10,000 training days. Approximately 55 per cent of all projects supported by UNOPS reported one or more activities that contributed to developing national capacity.

11. UNOPS constructed, designed or rehabilitated 90 bridges, 3,025 kilometres of road, and 2 ports, compared with 38 bridges, 2,572 kilometres of road, and 1 port in 2015. UNOPS managed the construction, design or rehabilitation of 50 schools, 74 hospitals and 278 health clinics. In 2015, the numbers included 46 schools, 2 universities, 25 hospitals and 105 health clinics.

12. Forty-one police stations and 8 prisons were constructed, designed or renovated, as well as 3 courthouses and 2 customs and border facilities. In 2015, UNOPS constructed, designed or renovated 3 prisons, 6 courthouses and 2 customs and border facilities.

13. UNOPS procured more than $900 million worth of goods and services for its partners in 2016, from more than 5,000 vendors. That figure represents a 26 per cent rise over the $717 million reported in 2015. UNOPS also provided common procurement services across the United Nations, such as procuring over $80 million worth of goods through UN Web Buy (compared with almost $60 million in 2015).

14. UNOPS is committed to strengthening national and local economies by supporting local suppliers. In locations of operations where UNOPS maintains a physical presence, 47 per cent of procurement budgets were awarded to local suppliers, representing more than $400 million.

15. In 2016, UNOPS supported the mine-clearance work of the United Nations Mine Action Service (UNMAS) and its partners in 18 countries and territories.

16. Over 24,000 units of machinery or equipment were procured by UNOPS for its partners in 2016, compared with 39,000 the year before. More than 47 million medical supplies were handled, including the distribution of over 36 million mosquito nets. Over 101 million doses of medicine were procured or distributed, compared to 114 million in 2015.

17. In 2016, UNOPS delivery was associated with core service lines shown in table 1, below.

Table 1. Percentage of delivery associated with UNOPS respective service lines

Service line	*Percentage of total delivery*
Procurement	36
Financial management	22
Infrastructure	18
Human resources	16
Project management	6
Shared services	1

IV. Operational results

A. Effective specialized technical expertise

18. The ambition of UNOPS is to help people achieve individual, local, national and global objectives through effective technical expertise grounded in international norms and standards. It provides a wide range of technical expertise in infrastructure; procurement and project management.

19. UNOPS contributes to social sustainability through means that include exercising due diligence and respect for international human rights principles; engaging local communities, with an emphasis on protecting the most vulnerable; facilitating access to food, water, sanitation, energy, health, education, justice, and security-related services; and mainstreaming gender equality in its activities. UNOPS also provides advice and implementation support in disaster risk reduction for resilience.

20. As part of its efforts to improve security and access to justice for poor and marginalized people in Nepal, UNOPS is constructing twenty earthquake-resilient police units on behalf of the Department for International Development (DFID) of the United Kingdom. Each structure is designed to be sustainable, environmentally friendly and accessible for diverse users, taking into account gender considerations as well as the unique needs of children and people of differing abilities. In 2016, 19,484 labour days for local workers were created as part of activities related to this project.

21. Fifty per cent of all UNOPS-supported projects reported measures to mitigate negative environmental effects. In Sri Lanka, 400,000 people will benefit from improved waste management facilities that have been developed to ensure that waste is disposed of without damaging the environment or negatively affecting communities. In 2016, 1,300 days of technical assistance were provided under this project, completed as part of the European Union development contribution to

Sri Lanka. Under the same programme, UNOPS is constructing and rehabilitating drainage, wastewater and sewage management solutions in two other districts of Sri Lanka, increasing the resilience of local communities through improved flood-control infrastructure and training.

Box 1: Bringing life-saving supplies into Yemen

The humanitarian situation in Yemen continues to deteriorate. Over 18 million people are in need, including 10.3 million people in acute need, and 14.1 million people are food insecure. While the humanitarian actors continue to provide assistance to those most affected by the current crisis, the vast majority of the needs of the Yemeni people are met through commercial deliveries into the country.

To facilitate the inflow of commercial goods, UNOPS established the United Nations Verification and Inspection Mechanism for Yemen in December 2015 on behalf of the Government of Yemen, the United Nations Member States, and the United Nations Office for the Coordination of Humanitarian Affairs. The mechanism, run by UNOPS since 15 December 2015, facilitates commercial maritime traffic to Yemeni ports that are not under the control of the Government of Yemen and ensures compliance with United Nations Security Council resolutions.

Since 5 May 2016, the mechanism has cleared over 370 commercial vessels, successfully offloading over 6.6 million metric tonnes of food, fuel and supplies to the Yemeni ports of Hodeidah, Ras Isa and Saleef. In October 2016, the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator exhorted Member States to continue supporting the mechanism. "Let us back something that is working", he said

22. UNOPS provides assistance to governments to encourage social and economic empowerment. It contributes to economic sustainability by creating local employment and income opportunities, and enhances access to markets using local suppliers. Contributions to social empowerment include involving stakeholder groups in the implementation, monitoring and evaluation phases of projects.

23. In South Sudan, for example, UNOPS constructed a port on the White Nile in 2016, with funding from the Government of Japan. The port helps expedite the delivery of humanitarian aid, providing life-saving supplies to the civilian population and facilitating the movement of displaced people to shelter. Prior to construction, discussions with local internally displaced persons and host communities influenced the location of the drainage system based on how it would affect sanitation for those living in the surrounding area. Of those people, 100 were also employed during the construction phase.

24. Developing national capacity includes providing advice and training in support of project objectives. In a relevant example of South-South cooperation, UNOPS constructed two new roads in Jamaica on behalf of the Government of Mexico. UNOPS was responsible for implementing a project adopting a labour-based approach in the local community. UNOPS designed and constructed 1,650 metres of road to connect approximately 1 million people to waste management facilities. A formal training and certification programme was established for masons and carpenters. The UNOPS team worked with community leaders to provide jobs for nearly 300 people living in the area, creating 15,000 labour days for local workers, 35 per cent of whom were women. In 2016, 27 per cent of UNOPS-supported projects reported on-the-job learning elements for local workers.

25. UNOPS supports innovative and progressive solutions wherever possible. In Ethiopia, for example, with the United Nations country team and on behalf of the Ministry of Health, UNOPS procured and delivered the country's first biosafety level 3 mobile laboratory, which will make it possible to diagnose serious or potentially lethal infectious disease outbreaks such as Ebola. The laboratory is designed to protect personnel, as well as the environment, from highly contagious disease-causing agents. UNOPS facilitated training in the use of the new equipment for medical experts from the Ethiopian Public Health Institute.

Box 2. Supporting a coordinated humanitarian response in Iraq

The Iraq Internally Displaced Persons Information Centre is a toll-free helpline providing life-saving information to millions of internally displaced people across the country. The Centre serves as a centralized humanitarian resource to affected

populations and a common service to humanitarian partners. Based in Erbil, it is one of the largest United Nations inter-agency collective accountability projects of its kind.

There are 4.1 million internally displaced people in Iraq. Eleven million are in need of humanitarian assistance, and 2016 saw continued violence across the region. On an average day, the helpline fields up to 400 calls. Last year, 50,750 calls were handled, and the Centre shared information with 305,524 people. Twenty-one per cent of the calls came from women.

Trained operators provide callers with information on where and how to access humanitarian aid, including food, medical assistance, child protection, cash assistance and temporary shelter. By providing feedback to aid agencies on the urgent needs of internally displaced people, the Centre provides a vital link to help improve the humanitarian response in the country. The helpline is also used to report cases of sexual violence and abuse to the relevant authorities.

UNOPS works with government authorities and telephone companies to ensure reliable services across Iraq. All calls are free of charge. Operators speak to people from across the 19 governorates, relaying information in Arabic, Kurdish (Sorani and Badine) and English.

The project is implemented by UNOPS on behalf of its partners, including the Iraq humanitarian pooled fund, the United Nations High Commissioner for Refugees (UNHCR), the World Food Programme (WFP), the Office of the United Nations Resident and Humanitarian Coordinator in Iraq, the World Health Organization, and the United Nations Office for the Coordination of Humanitarian Affairs.

26. As part of wider humanitarian relief efforts in the Middle East, UNOPS, on behalf of the Government of Japan, constructed and rehabilitated 30 community police centres for the Kurdistan Regional Government in Iraq, to help police officers respond to the growing needs of internally displaced people, Syrian refugees and host communities across the Kurdistan region. Training sessions for police officers were also conducted, in partnership with the United Nations Assistance Mission for Iraq division of the Office of the United Nations High Commissioner for Human Rights, to improve the impact and effectiveness of police officers, focusing on human rights and gender in particular. In 2016, 60 per cent of UNOPS-supported projects reported elements of local community engagement and development.

27. Several projects included measures related to achieving gender and diversity goals. In Eastern Sudan, UNOPS rehabilitated three health facilities in Gedaref, Red Sea and Kassala, to strengthen maternal and child health. Funded by Italian Development Cooperation, rehabilitation engaged local communities to ensure that gender equality, ease of access to basic health services for local communities, job creation and capacity development considerations were integrated into the design and construction works. Fifty-five per cent of UNOPS-supported projects reported activities related to achieving gender and diversity goals.

28. In 2016, with funding from the Swedish International Development Cooperation Agency, UNOPS worked on more than 500 kilometres of roads in northern Afghanistan, helping provide rural communities with year-round access to markets, health care and basic services. The project trained 60 engineering graduates in road design, construction and maintenance, and 30 community representatives in operations and maintenance activities. Thirty female entrepreneurs were trained in business skills. In 2016, the project created 52,639 labour days for local men and 23,845 labour days for local women.

29. To support efforts to diversify and increase access to energy in Sierra Leone, UNOPS, with funding from DFID, planned 90 solar-powered mini-grids, to be constructed across rural areas of the country. In cooperation with the Ministry of Energy, the rural renewable energy project will benefit up to 400,000 people, using solar energy to tackle energy poverty. The availability of electricity at the village level provides an opportunity to build capacity among local businesses and women through the operation and maintenance of the mini-grid infrastructure.

Box 3. Using green technology to reduce maternal mortality in East Africa

Across Africa, women still die unnecessarily while giving birth. In Kenya, approximately 360 women die for every 100,000 births – a rate of maternal mortality that is among the highest in the world.

In partnership with the United Nations Children's Fund, UNOPS is working to help address this challenge and strengthen health-care services across the country.

The project will establish centres of excellence to reduce maternal and neonatal deaths across five counties in Kenya, to improve the quality and sustainability of healthcare infrastructure. Nationwide, UNOPS has conducted assessments of 150 health clinics and developed designs for green technology retrofits to improve 42 health clinics with a range of solar-powered solutions designed to minimize electricity usage and provide access to water services.

By the end of 2016, 98 health clinics had been assessed for infrastructure upgrades in the project. Two clinics had been completely rehabilitated and construction on another five had been completed. UNOPS provided training to nurses, clinical officers, community health extension workers and volunteers. To date, UNOPS has helped train 4,469 community volunteers and 2,773 health workers in this project.

30. To reduce fraud and reinforce peace and security, UNOPS is supporting law-enforcement activities in Somalia by providing a secure means to ensure that federal police officers are paid their stipends. In a project funded by the European Union, UNOPS manages the accurate and safe delivery of funds to a maximum of 6,860 individual officers. All stipends are delivered directly to the bank accounts of police officers using Somali financial systems, thus ensuring the efficient and transparent disbursement of funds. In 2016, UNOPS provided 152 days of technical assistance through public financial management support training to the Ministry of Finance and the Central Bank.

31. In Libya, UNOPS provided project support to the Organization for the Prohibition of Chemical Weapons and the national authority for the implementation of the chemical weapons convention, sourcing, purchasing and delivering equipment related to the detection, protection, and destruction of chemical weapons. The support assisted in reducing the threat of chemical weapons and helped with efforts to stabilize the region.

32. Following earlier success, the Government of Paraguay requested UNOPS to support small-scale producers in some of the poorest areas. In 2016, UNOPS helped rehabilitate 9,543 hectares of sustainable agricultural land by purchasing certified seeds, conditioning soil, mechanically planting seeds and training smallholder and family farmers in marketing their services as a cooperative. Since 2015, UNOPS has helped increase productivity and improve incomes for 6,622 families living in poverty and extreme poverty throughout six departments in rural Paraguay.

33. In St Lucia, with funding from the Government of Mexico, UNOPS is constructing a water-supply system comprising a new river-water intake and treatment plant coupled with upgrades to the local water transmission network. These activities are part of a range of improvements to local water supplies benefiting approximately 10,000 residents in the Dennery region of the small island developing country. In 2016, UNOPS conducted consultations to inform design and construction activities, and initiated a community awareness campaign.

34. A key element of rebuilding efforts in Gaza is a project implemented by UNOPS under the Gaza Reconstruction Mechanism, a temporary agreement between the State of Palestine and Israel under United Nations administration. The project allows much-needed reconstruction materials to enter the territory. In 2016, 713,797 tonnes of cement were imported into Gaza through the mechanism, to rebuild homes and large-scale projects such as hospitals, schools, and water, sanitation and hygiene facilities. Project materials built or rebuilt homes for approximately 16,380 Gazans. Local suppliers participated by registering, helping to boost the local economy by placing the local private sector at the centre of reconstruction efforts. In 2016, 44 per cent of UNOPS-supported projects reported positive impacts on local economies.

35. With the goal of eradicating polio in Afghanistan, UNOPS designed and constructed the Polio Emergency Operations Centre in Kabul. The Bill and Melinda Gates Foundation funded the centre, which will also support the Ministry of Public Health during health-related emergencies.

Environmental sustainability measures include solar panels on the roof providing 35 kilowatts of power, an earthquake-resistant building design, and additional measures to reduce operating costs.

36. Through support to eight missions throughout Africa, UNOPS contributed to the peacebuilding work of the Department of Peacekeeping Operations and Department of Political Affairs. In northern Mali, this included support to the United Nations Multidimensional Integrated Stabilization Mission to improve peace and security by constructing seven camps for ex-combatants in the Gao, Kidal and Timbuktu regions. Under the same project, UNOPS procured 1,056 tents to shelter ex-combatants, and 30,892 emergency relief items. The project created 31,500 labour days for local workers.

37. Following the success of an initial phase, UNOPS continued work improving homes across Colombia, supporting the national peace process by providing improved conditions for displaced people after more than 50 years of conflict. In 2016, preparations were established for a second phase. UNOPS work with the national Department of Social Prosperity seeks to improve about 5,750 family homes in more than 60 locations, benefiting approximately 28,000 individuals.

38. In Tanzania, UNOPS is supporting the Government in increasing the resilience of coastal zones against the negative effects of climate change and rising sea levels. In partnership with the United Nations Environment Programme (UNEP), through a project funded by the Adaptation Fund and Global Environment Facility, 2,300 metres of drainage systems are being improved, while 2,400 metres of sea defence walls are being rehabilitated and constructed in areas of coastline in Dar es Salaam, Pangani and Zanzibar. In 2016, construction commenced on four sites, allowing communities in low-lying areas and informal settlements to continue farming and engaging in income-generating activities.

B. Efficient management support services

39. The ambition of UNOPS is to enable partners to 'do more with less' through efficient management support services, delivered locally or as global shared services. Services range from the provision of human resources, procurement and financial management, to extending the scope of the UNOPS legal framework to provide dedicated hosting arrangements.

40. On behalf of the Department of Political Affairs, UNOPS manages a group of full-time mediation experts who can be rapidly deployed to provide technical advice to senior United Nations officials and regional or subregional partners, leading mediation and conflict prevention efforts. Team members possess expertise in issues that arise in negotiations concerning constitution-making, gender and inclusion, natural resources, power-sharing, process design, and security arrangements issues. In 2016, the team was deployed over 100 times in approximately 30 different contexts. The turnaround time has been as short as 16 hours from the time of request.

Box 4. Renewed hope for earthquake victims in Nepal

On 25 April 2015, a 7.8 magnitude earthquake struck Nepal, levelling parts of the country. Nearly 9,000 people were killed and more than 22,000 injured. Approximately 1 million homes were damaged or destroyed.

In 2016, to address delays in distributing relief funds, the Government of Nepal engaged UNOPS to conduct a rapid census of victims eligible for financial support. With funding from the World Bank, UNOPS issued tenders for contracts, then engaged and equipped 2,500 housing surveyors within 16 days.

Some of the affected villages are located in remote, mountainous locations. This, combined with a lack of public transport facilities following the earthquake, made the surveyors' work especially difficult. Under the direction of the Central Bureau of Statistics, more than 870,000 households were surveyed in 14 districts. To date, more than 600,000 people have received the first instalment of funds to rebuild their homes.

UNOPS provided operational support to 600 enrolment centres run by government officials in 10 districts. More than 2,100 locally recruited personnel hired by UNOPS work at the centres, assisting the Nepal Reconstruction Authority with relief fund distribution and providing help to earthquake victims as Nepal continues its recovery.

41. In 2016, UNOPS initiated a number of new hosting initiatives in areas of health, humanitarian innovation and relief. With USAID and the Bill and Melinda Gates Foundation, UNOPS supported the Roll Back Malaria partnership, which aims to control and eliminate malaria in affected countries worldwide. UNOPS also supported the goal of the Scaling Up Nutrition Movement, for various donors, to bring about a world without hunger and malnutrition. The state-led Platform on Disaster Displacement, supported by UNOPS and the Government of Germany, seeks to expand cooperation, coordination and action to protect people displaced by disaster. UNOPS also supported the work of the Global Humanitarian Lab, which brings together affected communities, humanitarians, and public and private-sector partners to address common challenges and increase impact. A range of hosting services were provided for these initiatives, including human resources, procurement, grant management, financial management, advisory services and implementation activities.

42. In Honduras, in partnership with the Ministry of Health, UNOPS provided technical assistance in procuring more than 324 million doses of medicine during 2016, through a service-only model. The model means that UNOPS manages the procurement process until the selection of provider has been finalized, at which point the process is handed over to national authorities to conclude. Through its rapid and transparent services, national authorities stocked more than 1,310 health centres and 30 hospitals with vital supplies. In addition, UNOPS procured more than 56 million doses of medicine on behalf of the Honduran Social Security Institute, supplying 54 health-care facilities.

Box 5. Supporting economic growth in Peru

Transport infrastructure such as highways, bridges, rail and metro lines, ports and airports, support economic growth through various means, including increasing access to markets, reducing transport times, and providing efficiency gains related to productivity and competitiveness.

In Peru, UNOPS works closely with the Organismo Supervisor de la Inversión en Infraestructura de Transporte de Uso Público, the supervisory body for public transport infrastructure investment. Since 2014 UNOPS has conducted 20 international bidding processes to contract the supervision of public transport infrastructure works on behalf of the Organismo.

In 2016, UNOPS provided 154 days of technical assistance to the Organismo, specifically related to expanding and improving the port of Pisco. This work will enable the infrastructure to better handle local and international cargo, receive larger ships, and support the continual growth of demand for port services in the area. Other work includes expansion of the Lima International Airport, the development of a new airport in Cusco Chincheros, and a number of subway projects, national roads, and seaports.

Following UNOPS tender processes, the Organismo has supervised the investment of more than $5 billion in infrastructure projects across Peru to improve the quality, accessibility and safety of public transportation infrastructure.

43. UNOPS manages the largest development fund for health in Myanmar, the Three Millennium Development Goal Fund. The fund has a timely, significant, and nationwide impact, improving maternal, newborn and child health, and combating HIV and AIDS, tuberculosis, and malaria. In partnership with the Government of Myanmar and others, the fund strengthens the national health system at all levels. It seeks to extend access to high-quality health services for poor and vulnerable populations. Donor commitments to the fund for 2017 exceeded $283 million. In 2016, 675,710 medical diagnostic kits were procured on behalf of the fund.

44. In an effort to contribute to the sustainable reconstruction of Gaza, UNOPS is providing legal, financial and technical support to local populations internally displaced because of hostilities. Through a comprehensive reconstruction approach, in partnership with the Norwegian Refugee Council, UNOPS provides sustainable homes, supplying housing materials, cash grants and technical expertise. Criteria were developed in 2016, to ensure that assistance to the most vulnerable is prioritized. The project, financed by the Government of Germany, will help establish individual and family house, land and property rights, with a focus on empowering women as land- and homeowners.

45. Over 2,360 people were engaged through the UNOPS human resources centre in Bangkok to support projects across more than 15 countries in Asia and the Pacific. Partners supported include UNHCR, UN-Habitat, UNEP, the International Organization for Migration and the Global Green Growth Institute.

Box 6. The Global Sanitation Fund: transforming sanitation standards

UNOPS has legally and administratively hosted the Water Supply and Sanitation Collaborative Council since 2009. This includes the Global Sanitation Fund – the first and only United Nations fund dedicated to improving sanitation and hygiene.

Forty per cent of the global population – 2.4 billion people – lack access to decent sanitation, and more than a billion have to defecate in the open. Diarrheal disease, due largely to poor sanitation and hygiene, is a leading cause of malnutrition, stunting and child mortality, claiming the lives of nearly 600,000 children under five every year. Inadequate facilities damage education and economic productivity and undermine the dignity and personal safety of women and girls.

Since its establishment in 2008, the Global Sanitation Fund has committed over $112 million to sanitation programmes in 13 developing countries. These include reviving sanitation in Nepal after the earthquake, and improving sanitation programming through real-time learning in Cambodia.

A dedicated UNOPS team supports the Council secretariat and its Global Sanitation Fund, providing a range of hosting services that include human resources, grant support, procurement and fund management. In 2016, UNOPS managed 16 grants and supported 200 missions for the fund.

46. Cities Alliance, another UNOPS-hosted initiative, launched three major projects in 2016: a tool to help build climate resilience in cities through scenario planning, target-setting and climate action planning; a grant to the Local Governments for Sustainability organization, to finance local-level resilience; and a partnership with the World Resources Institute, to improve urban community resilience. The Alliance welcomed a new member in 2016, the International Institute for Environment and Development, a United Kingdom-based policy research organization. In another example of coordinated international action, the project 'Implementing Integrated Water Resources and Wastewater Management in Atlantic and Indian Ocean Small Island Developing States' is designed to strengthen the commitment and capacity of freshwater management in six nations. Cabo Verde, Comoros, Maldives, Mauritius, Sao Tome and Principe, and Seychelles are all implementing an inclusive approach to freshwater resources management, with the long-term goal of enhancing their capacity to plan and sustainably manage their aquatic resources and ecosystems. In 2016, a series of trainings took place in Comoros and Cape Verde to inspire stakeholders to protect their vulnerable water resources.

47. In 2016, UNOPS supported mine-action, humanitarian, stabilization and explosive management activities, capacity-building of national actors and United Nations missions, and the weapons and ammunition management work of UNMAS and partners in 18 countries and territories. It provided human resources management, procurement, contracting, grants management, technical and operational support, and financial and legal services. For approximately $238 million, UNOPS helped its main partner, UNMAS, deliver a range of results, including:

(a) In the Central African Republic, more than 260,235 beneficiaries participated in 6,624 risk education sessions, and 828 meetings were organized around the theme of reducing armed violence Sessions were held in local markets, places of worship, schools, and camps for internally displaced people.

(b) In the Democratic Republic of the Congo, safe weapons and ammunition storage solutions were provided to the national police through the construction of eight weapons armouries, the procurement of over 1,500 weapons safes, and the training of 110 officers.

(c) In Gaza, reconstruction partners were provided with 92 risk assessments for explosive remnants of war covering 595,287 square meters of land. Nineteen sites suspected of containing deeply buried aircraft bombs were cleared, and 48,056 people received education on risk awareness.

(d) In Iraq, support was provided to the Government to rapidly stabilize newly liberated cities that had been declared safe. Emergency response operations began in Ramadi in May and Falluja in August. At

least 1.5 million square metres of critical infrastructure were cleared at 122 prioritized locations in Fallujah, helping to restore vital services such as water, electricity, schools and hospitals.

(e) In Somalia, some 700 explosive remnants of war that were stored dangerously in and around bunkers near Mogadishu were destroyed. Those items represented a direct threat to the security of people living in the area and raised serious concerns about possible diversion and harvesting of the explosives for terrorist purposes;

(f) In South Sudan, 59 clearance teams were deployed, and 27 million square metres of land contaminated by explosive hazards were released. Three hundred and eighty-nine infrastructure sites, including housing, markets, and water points, were made available for safe use by communities, and 50 schools were cleared to provide children with safe access to education facilities;

(g) In Western Sahara, almost 2 million square metres of land were released, 17 anti-tank mines, 120 unexploded ordnance and 335 cluster munitions were destroyed, and nearly 2,000 beneficiaries received mine risk education.

C. Mobilizing a broader pool of resources

48. In its decision 2016/12, the Executive Board encouraged UNOPS to "continue its efforts to facilitate partnerships between the public and private sectors in the realm of sustainable social impact investments, with strong emphasis on the mandated areas of UNOPS such as infrastructure development, procurement and project management, and in this context, welcome[d] the intention of UNOPS to make appropriate corporate structural adjustments with a view to mitigating potential reputational risks and financial liabilities, and in line with relevant best practices and international standards on governance and transparency". UNOPS subsequently adopted social impact investing as a new institutional priority. The initiative seeks to scale up efforts to mobilize a broader pool of resources to meet the implementation needs of the 2030 Agenda for Sustainable Development. In 2016, a dedicated UNOPS investments business unit was established to lead the work.

49. Decision 2016/12 noted that "the healthy financial position of UNOPS and support[ed] the creation of a seed capital facility aimed at utilizing a portion of UNOPS operational reserves to make targeted contributions to early-stage investment projects in areas of the UNOPS mandate, with a view to leveraging high-impact transformational initiatives in countries with a United Nations field presence, in collaboration with like-minded donors and investors and in line with the strategic priorities of the respective Governments and the United Nations coherence agenda".

50. In November, UNOPS launched a crowdfunding pilot with a new platform known as 'Engage'. The first project campaign highlighted the Iraq Internally Displaced Persons Information Centre, a helpline that provides information on humanitarian assistance to displaced Iraqis. The helpline, which receives about 400 calls a day, is implemented by UNOPS on behalf of partners that include UNHCR, WFP, WHO, the Office for the Coordination of Humanitarian Affairs, and the Office of the United Nations Resident and Humanitarian Coordinator in Iraq. Further information is provided in box 2.

51. The Investments Business Unit will prioritize facilitating opportunities in the priority sectors of affordable housing, renewable energy, and water and sanitation. At the end of 2016, UNOPS entered into preliminary discussions at varying levels of maturity in four countries – Honduras, India, Nigeria and Ukraine – to mobilize public, private or institutional investment for effective interventions.

52. A number of other traditional UNOPS activities delivered during 2016 demonstrated innovative approaches to financing development, as well as progress on the path to mobilizing a broader pool of resources for the implementation of Agenda 2030.

53. The Grenada House of Parliament was destroyed by a hurricane in 2004 and temporary facilities have been in use ever since. In 2016, UNOPS provided infrastructure expertise to the Government in the form of contract negotiation and management support for the construction of a new parliament building which has received financing from the governments of Australia, Grenada, Mexico and the United Arab Emirates, demonstrating a diverse mix of traditional and non-traditional funding.

54. In Haiti, UNOPS was hired to provide project management, design, procurement, and construction management services for the Cap Haitian Port rehabilitation project funded by the

United States Agency for International Development (USAID). This is part of a larger public-private partnership arrangement for the future operation and management of the port. Under the same activity, USAID has engaged the International Finance Corporation to advise the Government, particularly the National Port Authority.

55. In partnership with the private-sector mobile telecom operator Ooredoo Myanmar, UNOPS is designing and constructing about 17 primary health centres across that country. During 2016, sites for 16 centres were assessed, selected and endorsed by the Ministry of Health and Sports. The centres will serve community health needs, focusing especially on maternal, newborn and child health.

56. UNOPS provided transactional support services during 2016 to the Office of the Quartet to establish the Shurook capital project in the State of Palestine. The project is designed to help identify commercially viable core infrastructure projects in sectors such as renewable energy, water and waste, and affordable housing, and develop them until they are ready to receive financing from public, private and institutional investors.

57. In northern China, UNOPS is working with the Asia-Pacific Agricultural and Food Safety Industrial Development Zone to upgrade the agricultural and food industries. Through a public-private partnerships model, UNOPS facilitated leading projects to support the upgrade of agriculture and food distribution systems while contributing to food safety. In 2016, UNOPS provided 150 days of technical assistance to this project.

V. Management results

A. Delivery and partnerships

58. UNOPS delivery totalled $1.4 billion in 2016, matching UNOPS delivery in 2015. That steady performance reflected a consistent, stable demand for UNOPS services from its diverse range of partners.

59. In 2016, 43 per cent of UNOPS delivery was on behalf of the United Nations system, down from 50 per cent in 2015. The largest United Nations partner was the Secretariat, most significantly the Department of Political Affairs, the Department of Peacekeeping Operations and the Department of Field Support, which together accounted for $294 million, or 21 per cent of implementation expenditure (compared to 18 per cent in 2015). This delivery included providing substantial support to the global peace and security work of UNMAS. Trends among United Nations partners included a fourth consecutive year of increasing delivery on behalf of UNHCR, up from $64 million in 2015 to $71 million in 2016. Other strong partnerships included support to UNEP, UN-Habitat and WHO.

60. Direct support to governments accounted for the largest increase in delivery value, accounting for $352 million dollars, or 25 per cent of delivery in 2016, compared with $294 million, or 22 per cent of delivery in 2015. The largest partnership with a host government during 2016 was with Honduras, followed by Ethiopia, Peru, Uruguay, and Mexico, respectively. The largest donor government to which UNOPS delivery can be directly attributed was that of the United States. Second was the Government of the United Kingdom, followed by those of Japan, Canada, Italy, Norway and Sweden.

61. In 2016, UNOPS partnered in delivering $51 million with international financial institutions including the Islamic Development Bank and the Inter-American Development Bank. The largest such partner was the World Bank, with a slight decrease in value, from $46 million in 2015 to $45 million in 2016.

62. UNOPS work for the European Union increased for a third consecutive year, from $51 million of delivery in 2015 to $57 million in 2016. In Cambodia, partnership with the European Union included support to the Government for an electoral reform process through procurement and grant management. In Serbia, European Union partnerships focused on a range of activities responding to heavy rains and flooding.

63. The UNOPS partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria achieved another record year in 2016. Globally, UNOPS delivered $113 million of services, compared with $106 million in 2015, and worked as a local agent for the fund in 14 countries.

64. UNOPS manages a number of pooled multi-donor funds and programmes. The largest, such as the Three Millennium Development Goal Fund, are in Myanmar. Many also operate globally, such as the Stop TB Partnership fund. In 2016, UNOPS delivered $138 million of services for these funds and programmes.

65. In 2016, the countries of largest delivery were Myanmar, Somalia, Mali, South Sudan, and Afghanistan, in that order. (In 2015, they were Myanmar, Afghanistan, Somalia, South Sudan, and Peru.)

66. New agreements between UNOPS and its partners reached $2.69 billion, exceeding the annual target and the 2015 total of $1.6 billion; the largest increases included partnerships with governments in Latin America, particularly Argentina and Guatemala. There also notable increases in bilateral partnerships with the governments of the United Kingdom, Sweden, Japan and Korea.

67. UNOPS continued to develop its annual survey, eliciting feedback from partners. Through personal interviews and online surveys more than 522 high-level respondents (partners and influential individuals) were asked about their needs and perceptions of UNOPS. Review of the survey is ongoing, but preliminary results on 428 responses indicate that overall satisfaction has increased to 89 per cent, while more than 90 per cent of past and current partners indicated that they are likely to recommend UNOPS services to others.

B. Process excellence

68. Following an organization-wide exercise to identify aspects of sustainability relevant to UNOPS, the organization produced its first sustainability report aligned with the Global Reporting Initiative model. The report provided an overview of the sustainability of UNOPS operations worldwide, and established a series of indicators to measure future contributions to sustainability.

69. UNOPS continued to implement refinements and additional functionalities to its new enterprise resource planning system in 2016, including efforts to support the establishment of baselines for measuring the efficiency of key business processes, which can be improved over time.

70. In 2016, UNOPS was again awarded gold in the sustainable procurement review conducted by the Chartered Institute of Procurement and Supply. UNOPS is the first United Nations organization, and one of five organizations in the world, to achieve the gold level.

71. UNOPS maintained its ISO 9001 quality management systems certification and expanded its ISO 14001 certified environmental management system to cover infrastructure projects in Ghana and Myanmar, alongside existing certifications in Afghanistan, Guatemala, Kosovo, the State of Palestine, and Sri Lanka.

72. UNOPS extended the coverage of certifications in health and safety management systems in its infrastructure practices in accordance with the United Kingdom-based Occupational Health and Safety Advisory Services 18001, the internationally applied standard. In addition to existing certifications in Denmark, Pristina, and Jerusalem, operations in Myanmar have received this award. That achievement forms the basis for UNOPS compliance with CEB/2015/HLCM/7/Rev.2 on the adoption of occupational safety and health systems in all United Nations organizations.

73. In 2016, UNOPS approaches to project implementation, monitoring, evaluation and learning were revised through the launch of a governance, risk and compliance framework. In 2016, improvements within the framework included a structured approach to the assessment of new opportunities, which was integrated into the new enterprise resource planning system. This supports project teams in identifying significant risks and ensuring that mitigation measures are in place prior to agreements to proceed with potential projects. Following this approach increases the likelihood of both the successful delivery and overall sustainability of projects.

74. In Afghanistan, the United Nations working group on disaster risk reduction, chaired by WFP, requested UNOPS to lead United Nations efforts, with UNEP and the World Bank, in pioneering the development of a national strategic framework for resilience aligned to the Sendai framework – the global plan for disaster risk reduction. This work supports the national Ministry of Disaster Management and Humanitarian Affairs in fulfilling its function to coordinate resilience-building across the country. In Bangladesh, UNOPS is helping the Planning Commission and the Ministry of Local Government to strengthen their resilience capabilities. Both examples follow the UNOPS 'Resilience Pathways' model. Globally, UNOPS continued in its role as chair of the International Recovery Platform, supporting advancements in the field of resilience as applied in development and humanitarian contexts.

75. In 2016, UNOPS led inter-agency and non-governmental organization efforts to coordinate the development of a technical design and planning manual to ensure that refugee and internally displaced persons' camp infrastructures meet human rights obligations concerning safe, decent, and humane facilities.

76. UNOPS implemented the initial phase of a dedicated e-tendering system to streamline a range of procurement activities, including sourcing, solicitation, submissions management, evaluation, review and award processes.

77. UNOPS continued its work with the University of Oxford on national infrastructure systems. The work involves the evaluation and analysis of future infrastructure needs, including addressing challenges associated with climate change. Support in the adoption of international best practices, is offered to governments through the UNOPS 'Evidence-Based Infrastructure' framework. In addition to the implementation with the State of Palestine, interest has been expressed by countries in Africa, South America, the Middle East, and several small island developing States.

78. By the end of 2016, the overall implementation rate of audit recommendations stood at 93 per cent. Only two of the recommendations had been open for more than 18 months. Full details of UNOPS audit findings in 2016 are available in a dedicated report (DP/OPS/2016/4).

79. Reflecting its role as a consultative, impartial and service-oriented resource, the UNOPS Ethics Office handled 621 issues from 1 January-31 December 2016. They are detailed in a dedicated report (DP/OPS/2016/5) presented to the Executive Board at its annual session 2016.

C. People excellence

80. At the end of 2016 the number of individuals on UNOPS contracts stood at 10,978, up from 9,852 in 2015). Contracts are administered on behalf of a range of partners in addition to UNOPS personnel. A breakdown of personnel by contract category is shown in table 2, below.

Table 2. Number of personnel, by category, as of 31 December 2016

Contract modality	Staff	Contractors	Total
UNOPS personnel	843*	3,222	4,065
Partner personnel		6,913	6,913
Combined personnel	843	10,135	10, 978

*Includes hosted and partner-managed staff, who are subject to the same policies and procedures as UNOPS staff.

81. The 618 members of UNOPS personnel recruited in 2016 comprised 251 women and 367 men. As of 31 December 2016, the primary governing body of UNOPS consisted of 17 members – 4 women and 13 men. Six members were between the ages of 30 and 50, and 11 were 50 or older. Women represent 37 per cent of UNOPS personnel; a breakdown of gender representation is shown in table 3, below.

Table 3. Gender balance among UNOPS personnel as of 31 December 2016

Gender	Staff	Local contractors	International contractors	Total
Women	308	877	315	1,500
Men	535	1,566	464	2,565
All UNOPS personnel	843	2,443	779	4,065

82. A survey of UNOPS personnel revealed engagement levels that exceeded internationally recognized benchmarks for high-performing organizations. Out more than 2,500 responses, 70 per cent of were favourable, indicating high levels of engagement and intent to stay.

83. During 2016, UNOPS introduced a new competency framework for recruitment and performance management purposes, providing a standardized approach to performance that enables supervisors to evaluate individuals' integrated knowledge, skills and attributes more effectively.

84. A wide range of benefits are offered across UNOPS contract modalities. For example, all active UNOPS personnel with the exception of short term employees (holding contracts of less than 6 months in duration) are entitled to parental leave. During 2016, 55 women and 129 men took parental leave. All women ending parental leave in 2016 continued to have active contracts.

85. There was a 29 per cent turnover of UNOPS personnel in 2016. A breakdown of turnover figures by age category and gender is shown in table 4, below.

Table 4: Turnover among UNOPS personnel, by age category and gender, in 2016

Age category	Women	Men	Total
30 and under	24%	31%	28%
30 to 50	23%	32%	29%
50 and above	24%	34%	32%
All UNOPS personnel	23%	32%	29%

86. In 2016, 18 per cent of UNOPS senior management in countries where the organization maintains physical offices were nationals of the duty station country. This represents an increase from the 15 per cent figure recorded in 2015. Senior management is defined as ICSC-11 and above. In 2016, 2,594 UNOPS personnel were based in hardship duty stations (locations rated B to E on the International Civil Service Commission hardship scale).

87. More than 1,950 colleagues benefited from UNOPS learning opportunities. Eighty per cent of participants rated learning opportunities as 'extremely relevant' or 'very relevant' to their work. Forty-eight per cent of participants were women. To strengthen health and safety capacity, UNOPS provided training in related disciplines for 379 personnel, 251 of whom obtained certifications from the Institution of Occupational Safety and Health. In addition to mandatory courses on gender awareness and the prevention of harassment, 600 personnel were supported through performance management training, and more than 500 received anti-corruption training.

D. Financial stewardship

88. During 2016, UNOPS delivered $1.4 billion in project services (the same figure was reported in 2015). Project-related net revenue was $86.7 million, compared to $87.2 million in 2015. Management expenses were $67.3 million, compared to $65.4 million a year earlier – an increase of 2.9 per cent. This included a $4.2 million investment in growth and innovation projects. The ratio of management expenses to delivery in 2016 was 4.8 per cent, a slight increase over the 4.5 per cent recorded in 2015. Miscellaneous income earned was $2.1 million, against $2.4 million the previous year. Interest income earned was $13.1 million, compared to $3.0 million in 2015. All this resulted in a net surplus of income over expenditure, after provisions, of $31.3 million (compared to

$14.3 million in 2015). At year end 2016, UNOPS continued to maintain its operational reserve above the minimum requirement established by the Executive Board.

89. An actuarial revaluation of UNOPS end-of-service employee liabilities that are fully funded, indicated that at year end 2016 these were about $6.2 million higher than had been the case in 2015. This was accompanied by an actuarial loss of $2.0 million.

90. The expenses, revenue and reserve balance for 2016 are early figures calculated by UNOPS and may be subject to change. They have yet to be audited and verified by the United Nations Board of Auditors.